

3 March 1987

OCA 87-0696

MEMORANDUM FOR: DD/OP  
DD/OP/PA&E  
C/ALD/OGC

FROM: , Legislation Division  
Office of Congressional Affairs

SUBJECT: Federal Pay Management Act of 1987, H.R. 386

1. Attached for your review and comment is the above-captioned bill which is designed to restructure the Federal pay system.

2. The bill establishes a Federal Compensation Board which has one year after enactment of the law to implement five to ten programs using alternative pay systems. These systems involve measures to bring Federal benefits and wages in line with those offered by the private sector for the same levels of work generally and in various geographic regions, to subject conditions of employment to collective bargaining, and to identify separate career categories and provide pay differentials based on factors such as experience and achievement. Each program will affect 15,000 to 25,000 full-time positions. The bill also establishes a Commission on Federal Pay Management which will evaluate each alternative system with respect to recruitment and retention efforts and other policy goals. The Agency is exempt from the portions of the bill respecting the Board and the Commission.

3. The bill also allows the head of an agency to raise the minimum rates of basic pay for certain employees when the agency is significantly handicapped because employees in these jobs can earn higher wages in private enterprise. The agency must provide the Office of Personnel Management (OPM) with 30 days written notice that it intends to raise the rates. OPM may inform the agency that such action is clearly unwarranted, in which case the higher rates may not be established.

4. It appears that this bill has a good chance of moving through Congress. Thus, I ask that you review it and provide your comments to me either in writing or via

Attachment:  
as stated

Distribution:

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OCA/LEG  (3 Mar 87)